

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 426 Session of
1991

INTRODUCED BY VROON, NOYE, ANGSTADT, FARGO, GEIST, E. Z. TAYLOR,
JOHNSON, LEH, BIRMELIN AND FLICK, MARCH 11, 1991

REFERRED TO COMMITTEE ON FINANCE, MARCH 11, 1991

AN ACT

1 Amending the act of March 4, 1971 (P.L.6, No.2), entitled "An
2 act relating to tax reform and State taxation by codifying
3 and enumerating certain subjects of taxation and imposing
4 taxes thereon; providing procedures for the payment,
5 collection, administration and enforcement thereof; providing
6 for tax credits in certain cases; conferring powers and
7 imposing duties upon the Department of Revenue, certain
8 employers, fiduciaries, individuals, persons, corporations
9 and other entities; prescribing crimes, offenses and
10 penalties," reducing the utilities gross receipts tax.

11 The General Assembly of the Commonwealth of Pennsylvania
12 hereby enacts as follows:

13 Section 1. Section 1101(a) and (b) of the act of March 4,
14 1971 (P.L.6, No.2), known as the Tax Reform Code of 1971,
15 amended July 13, 1987 (P.L.317, No.58), are amended to read:

16 Section 1101. Imposition of Tax.--(a) General Rule.--Every
17 railroad company, pipeline company, conduit company, steamboat
18 company, canal company, slack water navigation company,
19 transportation company, and every other company, association,
20 joint-stock association, or limited partnership, now or
21 hereafter incorporated or organized by or under any law of this
22 Commonwealth, or now or hereafter organized or incorporated by

1 any other state or by the United States or any foreign
2 government, and doing business in this Commonwealth, and every
3 copartnership, person or persons owning, operating or leasing to
4 or from another corporation, company, association, joint-stock
5 association, limited partnership, copartnership, person or
6 persons, any railroad, pipeline, conduit, steamboat, canal,
7 slack water navigation, or other device for the transportation
8 of freight, passengers, baggage, or oil, except taxicabs, motor
9 buses and motor omnibuses, and every limited partnership,
10 association, joint-stock association, corporation or company
11 engaged in, or hereafter engaged in, the transportation of
12 freight or oil within this State, and every telephone company,
13 telegraph company, express company, gas company, palace car
14 company and sleeping car company, now or hereafter incorporated
15 or organized by or under any law of this Commonwealth, or now or
16 hereafter organized or incorporated by any other state or by the
17 United States or any foreign government and doing business in
18 this Commonwealth, and every limited partnership, association,
19 joint-stock association, copartnership, person or persons,
20 engaged in telephone, telegraph, express, gas, palace car or
21 sleeping car business in this Commonwealth, shall pay to the
22 State Treasurer, through the Department of Revenue, a tax of
23 forty-four mills for the calendar year 1992, and at the rate of
24 forty mills for the calendar year 1993 and each year thereafter,
25 upon each dollar of the gross receipts of the corporation,
26 company or association, limited partnership, joint-stock
27 association, copartnership, person or persons, received from
28 passengers, baggage, and freight transported wholly within this
29 State, from telegraph or telephone messages transmitted wholly
30 within this State, from express, palace car or sleeping car

1 business done wholly within this State, or from the sales of
2 gas, except gross receipts derived from sales to any
3 municipality owned or operated public utility and except gross
4 receipts derived from the sales for resale, to persons,
5 partnerships, associations, corporations or political
6 subdivisions subject to the tax imposed by this act upon gross
7 receipts derived from such resale and from the transportation of
8 oil done wholly within this State. The gross receipts of gas
9 companies shall include the gross receipts from the sale of
10 artificial and natural gas, but shall not include gross receipts
11 from the sale of liquefied petroleum gas.

12 (b) Electric Light, Waterpower and Hydro-electric
13 Utilities.--Every electric light company, waterpower company and
14 hydro-electric company now or hereafter incorporated or
15 organized by or under any law of this Commonwealth, or now or
16 hereafter organized or incorporated by any other state or by the
17 United States or any foreign government and doing business in
18 this Commonwealth, and every limited partnership, association,
19 joint-stock association, copartnership, person or persons,
20 engaged in electric light and power business, waterpower
21 business and hydro-electric business in this Commonwealth, shall
22 pay to the State Treasurer, through the Department of Revenue, a
23 tax of forty-four mills for the calendar year 1992, and at the
24 rate of forty mills for the calendar year 1993 and each year
25 thereafter, upon each dollar of the gross receipts of the
26 corporation, company or association, limited partnership, joint-
27 stock association, copartnership, person or persons, received
28 from:

29 (1) the sales of electric energy within this State, except
30 gross receipts derived from the sales for resale of electric

1 energy to persons, partnerships, associations, corporations or
2 political subdivisions subject to the tax imposed by this
3 subsection upon gross receipts derived from such resale; and

4 (2) the sales of electric energy produced in Pennsylvania
5 and made outside of Pennsylvania in a state that has taken
6 action since December 21, 1977 which results in higher costs for
7 electric energy produced in that state and sold in Pennsylvania
8 unless the action that was taken after December 21, 1977 is
9 rescinded according to the following apportionment formula:

10 except for gross receipts derived from sales under clause (1),
11 the gross receipts from all sales of electricity of the producer
12 shall be apportioned to the Commonwealth of Pennsylvania by the
13 ratio of the producer's operating and maintenance expenses in
14 Pennsylvania and depreciation attributable to property in
15 Pennsylvania to the producer's total operating and maintenance
16 expenses and depreciation.

17 * * *

18 Section 2. This act shall take effect January 1, 1992.